

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Competitive Product Prices
Global Expedited Package Services 11 (MC2019-132)
Negotiated Service Agreement

Docket No. CP2019-176

PUBLIC REPRESENTATIVE COMMENTS ON
POSTAL SERVICE NOTICE OF FILING
MODIFICATION ONE TO GLOBAL EXPEDITED PACKAGE SERVICES 11
NEGOTIATED SERVICE AGREEMENT

(May 5, 2020)

The Public Representative hereby provides comments pursuant to the Commission's Notice in this docket.¹ In that Notice, the Commission established the above referenced docket to receive comments from interested persons, including the undersigned Public Representative, on a Postal Service Filing of a Modification to an existing Global Expedited Package Services 11 contract²

Agreements under the Global Expedited Package Services 11 product offer volume-based prices to Postal Qualified Wholesalers and other high-volume mailers that market mailing services to their end-use customers who ship mail and articles via any combination of the following: Priority Mail Express International, Priority Mail International, First-Class Package International Service, and Commercial ePacket.³

Prices and classifications "not of general applicability" for Global Expedited Package Services 11 contracts were previously established by Governors' Decision No.

¹ PRC Notice Initiating Docket(s) for Recent Postal Service Negotiated Service Agreement Filings, April 28, 2020

² Notice of the United States Postal Service of Filing Modification One to Global Expedited Package Services 11 Negotiated Service Agreement. (Notice). April 27, 2020

³ PRC Order No. 5154, Docket No. CP2019-176, July 15, 2019.

19-1.⁴ In Order No. 5082, the Commission authorized the addition of the Global Expedited Package Services 11 product to the competitive product list and designated Docket Nos. MC2019-132 and CP2019-142 as the Baseline Agreement.⁵

The Commission, in Order No. 5154, included the agreement that is the subject of this docket within the Global Expedited Package Services 11 product.⁶ The instant Modification revises a few articles in the Agreement, adds a few annexes and extends the Agreement to June 30, 2020. Notice at 1.

COMMENTS

The Public Representative has reviewed the Postal Service's Notice, the Agreement, and supporting financial model filed under seal as part of the Notice. Based upon that review, the Public Representative concludes that it appears the negotiated prices, as modified, in the Agreement should generate sufficient revenues to cover costs.

39 U.S.C. § 3633. Pursuant to 39 U.S.C. § 3633(a), the Postal Service's competitive prices must not result in the subsidization of competitive products by market dominant products; ensure that each competitive product will cover its attributable costs; and, ensure that all competitive products collectively contribute an appropriate share of the institutional costs of the Postal Service. In this proceeding, the financial model filed under seal, accompanying the Postal Service's Notice, indicates that the modified prices in this Global Expedited Package Services 11 contract should continue to generate sufficient revenue to cover costs and is thus in compliance with the requirements of 39 U.S.C. § 3633(a).

⁴ Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Outbound International Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors Decision No. 19-1), February 7, 2019.

⁵ PRC Order No. 5082, Docket No. CP2019-142, Order Adding GEPS 11 to the Competitive Product List and Designating Baseline Agreement, May 3, 2019.

⁶ PRC Order No. 5154, Order Approving Additional GEPS 11 Negotiated Service Agreement, Docket No. CP2019-176, July 15, 2019.

The Commission will have an opportunity to review the financial results for the Agreement in a future ACD Report for compliance with 39 U.S.C. 3633.

The Public Representative respectfully submits the foregoing comments for the Commission's consideration.

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